

[Date]

[Client Name]

[Client Address]

[City, State, Zip Code]

Re: Commitment Letter for Bilateral Factoring Facility

Dear [Contact Person Name],

We, [Factor/Bank Name] ("the Factor"), are pleased to confirm our commitment to provide a Bilateral Factoring Facility ("the Facility") to [Client Name] ("the Client") under the following principal terms and conditions:

- 1. Facility Limit:** A maximum aggregate amount of [Currency and Amount].
- 2. Type of Facility:** [Recourse / Non-Recourse] Factoring of accounts receivable.
- 3. Advance Rate:** [Percentage]% of the face value of eligible receivables.
- 4. Factoring Fee:** [Percentage]% per invoice or [Amount] per month.
- 5. Interest Rate:** [Base Rate] plus [Margin]% per annum on the outstanding advanced amount.
- 6. Eligible Receivables:** Receivables arising from the sale of goods or services in the ordinary course of business, subject to approval by the Factor.
- 7. Security/Collateral:** First priority security interest in all accounts receivable, related contract rights, and [Other Assets if applicable].
- 8. Conditions Precedent:** This commitment is subject to the following:
 - Execution of definitive Factoring Agreements.
 - Satisfactory completion of legal and financial due diligence.
 - Evidence of corporate authorization.
 - [Other Conditions].
- 9. Expiry Date:** This offer is valid until [Date] and will expire if not accepted in writing by such date.

This letter is a statement of our commitment and is governed by the laws of [Jurisdiction].

Yours sincerely,

[Signature]

[Name of Authorized Signatory]

[Title]
[Factor/Bank Name]

Acceptance:

We hereby accept the terms and conditions set forth in this Commitment Letter.

For and on behalf of **[Client Name]**:

Signature: _____

Name: [Name]

Title: [Title]

Date: [Date]